Bank of India (RBI) from the scheduled commercial banks, there were 5,201 sick micro and small enterprises (MSEs) in the State of Andhra Pradesh at the end of March 2009. Information in respect of medium enterprises is not being collated by the RBI. As per the quick results of Fourth All India Census of Micro, Small and Medium Enterprises (MSME), out of 42,360 registered MSMEs in Andhra Pradesh as on 31st March, 2007, the number of MSMEs found closed were reported to be 13,370. Information in respect of people who have become unemployed and the number of families affected due to sickness/closure of MSMEs is not maintained centrally.

(d) The Ministry of Micro, Small and Medium Enterprises does not provide any direct financial assistance for rehabilitation of sick micro and small enterprises (MSEs). However, financial assistance, by way of debt restructuring, including fresh loans, for the rehabilitation of sick MSE is provided by the primary lending institutions (PLIs), including commercial banks, which provide credit to the MSEs. For this purpose, the RBI has issued detailed guidelines to banks in January, 2002 on detection of sickness in MSE at an early stage and taking remedial measures and for rehabilitation of sick MSEs identified as potentially viable. RBI has also issued guidelines on 8th September 2005, based on the "Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)" announced by the Central Government on 10th August 2005. These guidelines relate, *inter alia*, to viability criteria, prudential norms for restructured accounts, provision of additional finance and time-frame for working out the restructuring package and its implementation. Further, based on the recommendations of the Working Group under the chairmanship of Dr. K.C. Chakrabarty, the then Chairman and Managing Director, Punjab National Bank, the RBI has advised all scheduled commercial banks on May 4, 2009 to consider, for speedy implementation, the recommendations made with regard to timely and adequate flow of credit to the MSE sector. The Banks have also been advised to apply the RBI's guidelines on debt restructuring optimally and in letter and spirit and put in place their own non-discretionary one-time settlement (OTS) policy for this sector.

Foreign Direct Investment in MSEs

1014. MS. MABEL REBELLO: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether to help cash-strapped micro and small enterprises and to attract higher overseas investment, Government has liberalized the FDI norms for the sector, replacing the current 24 per cent ceiling on foreign holding with the sectoral caps;

(b) if so, whether these industries will now be guided like other large enterprises as far as the FDI is concerned;

(c) whether the present policy on FDI in MSE permits FDI subject only to the sectoral equity caps, entry routes and other relevant regulations; and

(d) if so, to what extent these easier FDI guidelines have helped the small scale sector?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) to (d) The norms for FDI in MSEs were changed in February, 2009. The present policy permits FDI in MSEs subject only to the sectoral equity caps, entry routes and other relevant sectoral regulations, as is applicable to other large industries.

However, for manufacturing items reserved for the MSE sector (presently 21 items), any industrial undertaking which is not an MSE, will require an industrial license under Industries Act. The issue of Industrial License will be subject to a few general conditions and the specific condition that the undertaking shall undertake to export a minimum of 50% of the new or additional annual production of the MSE reserved items to be achieved within a maximum period of three years. Such an undertaking would also require prior approval of the Government (FIPB) where foreign investment is more than 24% in the equity capital.

It is expected that with easier FDI guidelines, Micro and Small Enterprises will attract more FDI.

Rail projects in Andhra Pradesh *vis-à-vis* other States

1015. SHRI NANDI YELLAIAH: Will the Minister of RAILWAYS be pleased to state:

(a) the total number of ongoing projects in Andhra Pradesh *vis-a-vis* other States, indicating the total cost of each such project;

(b) the justification for taking up less number of rail projects for Andhra Pradesh as compared to other States like Bihar and Tamil Nadu;

(c) the operating ratio, in terms of income generated for every 100 rupees spent, in respect of Southern Railways *vis-à-vis* South Central Railway; and

(d) if this operating ratio is more in the case of South-Central Railway, the reasons for taking relatively less projects in South-Central Railways?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K.H. MUNIAPPA): (a) Total 286 number of new line, gauge conversion and doubling rail projects are in progress at a total cost of Rs. 105301.16 crore spread in all States including Andhra Pradesh. Total 15 number of new lines, 2 number of gauge conversions and 6 number of doubling projects are ongoing in Andhra Pradesh at a cost of Rs. 9075.42 crore. The details of ongoing projects in Andhra Pradesh with cost of each project is as under:—

Rs. in crore

Sl. No.	Rly	Project	Kms	Cost	Outlay (As per Budget 2009-10)
1	2	3	4	5	6
		New Line			
1.	SR	Attipattu-Puttur	88.3	446.87	45